

CALIFORNIA ENERGY COMMISSION
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STATE OF CALIFORNIA ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

Implementation of the Power Source)	Docket No. 97-SB1305 / 98-REN-CCS
Disclosure Program (SB 1305) and)	Notice of Availability
Customer Credit Subaccount (SB 90))	RE: Annual Report/Verification Procedures
_____)	

NOTICE OF AVAILABILITY

Introduction

The draft requirements for reporting and verifying annual electricity purchases and sales to the Energy Commission's Renewable Energy Program, Customer Credit Subaccount and the Power Source Disclosure Program are currently available. The draft annual reporting requirements are contained in the *Annual Report to the California Energy Commission (Annual Report)*. The draft verification requirements are contained in the *Protocol for the Power Source Disclosure and Customer Credit Programs (Protocol)*.

This notice and the revised documents address both Commission programs in an effort to avoid unnecessary duplication since electricity market participants are often active in both Commission programs. The documents are available on the Energy Commission Web Site at www.energy.ca.gov/sb1305.

The *Annual Report* and *Protocol* are not being mass mailed to prevent unnecessary reproduction and mailing costs. Courtesy copies are being mailed, however, to active participants of the Customer Credit Subaccount and the Power Source Disclosure Program. If you would like the draft reports mailed to you, please call the Renewables Program Project Secretary, Naomi Ferster, at (916) 654-4524, and request a copy.

Background

The reporting and verification requirements are necessary to ensure the accuracy of marketing claims made to consumers and to prevent the misuse of public funds. The current version of the *Protocol* includes updates to the version that was previously made available on February 9, 2000.

The *Annual Report* is an updated version of the draft that was discussed at the January 19, 2000, staff workshop.

The Commission staff developed the *Annual Report* and *Protocol* with an interest in minimizing the cost of market participants to comply with the requirements, and ultimately, the cost of renewable electricity for consumers. As part of the effort to lower the cost to market participants, the Energy Commission staff has streamlined the reporting requirements for both programs.

Specifically, both programs originally included requirements for an independent audit by a Certified Public Accountant. The Renewables Committee now recognizes that the requirement for a true audit may place an undue burden on program participants and has reduced the verification standards to the agreed-upon procedures identified in the *Protocol*. Agreed-upon procedures are essentially a set of instructions that guide the accountant and client through the verification process.

Summary of Proposed Changes from Previous Drafts

The draft *Annual Report* forms and *Protocol* were revised to address public comments and additional staff analysis. The *Annual Report* forms being made available with this notice vary from the previous forms mailed to retail suppliers on February 9, 2000, in that there are now two new forms applicable to Registered Renewable Providers participating in the Customer Credit Program and minor modifications to the forms applicable to Power Pools participating in either program. The *Protocol* provides instructions on how to satisfy the verification requirements for the *Annual Report* submitted to both programs and is a revised version of the draft that was discussed at a staff workshop on January 19, 2000. The changes to the *Annual Report* forms and the *Protocol* are as follows:

- Schedule 2D: Summary of Retail Sales by Customer Class is new (required only for participants in the Customer Credit Program).
- Schedule 2E: Retail Sales to Customers Subject to the \$1,000 Funding Cap is new (required only for participants in the Customer Credit Program).
- Schedule 3: Power Sold into the Pool includes minor changes.
- Schedule 4: Power Purchased out of the Pool also includes minor changes.
- The *Protocol* was reorganized to separate the requirements that apply to Retail Suppliers and Registered Renewable Providers (nomenclature for the Power Source Disclosure Program and Customer Credit Program, respectively) from that of Power Pools and Registered Renewable Wholesalers (nomenclature for the Power Source Disclosure Program and Customer Credit Program, respectively).

- The *Protocol* refers to and verifies data submitted to meet the reporting requirements of the Customer Credit Program as specified in the revised *Annual Report* forms and the Monthly Performance Reports. Previously, the draft *Protocol* verified data in the Monthly Performance Reports, but there was no specified format for submitting data to meet the annual reporting requirements of the Customer Credit Program.
- The *Protocol* was revised to reflect the development of Schedules 3 and 4 in the *Annual Report* that are applicable to Power Pools and Registered Renewable Wholesalers.

Next Steps

Both the *Annual Report* and the *Protocol* are draft reports that are proposed for use by both the Power Source Disclosure Program and the Customer Credit Program. Since the two programs are subject to different regulatory procedures, the process for finalizing these proposed reporting requirements is unique to each program.

Separate notices will announce future public proceedings to adopt the *Annual Report* and the verification *Protocol*. The adoption process will follow separate paths for each program, but the Renewables Committee intends to have the reporting requirements be consistent between the two programs.

Customer Credit Program

Parties subject to the Customer Credit Reporting Requirements will not be required to submit the *Annual Report* or the *Protocol* until such time as these requirements are adopted by the Commission as changes to the *Guidebook for the Renewable Technology Program, Volume 4—Customer Credit Subaccount (Guidebook)*. The portions of the *Protocol* and the *Annual Report* that are applicable to the Customer Credit Program will be considered as proposed substantive changes to the *Guidebook*.

Pursuant to the *Overall Guidelines of the Renewable Resource Trust Fund*, substantive changes must be made available to the public and considered for adoption by the Energy Commission. The Renewables Committee will propose that the Commission consider adopting the changes to the *Guidebook* at a regularly scheduled Business Meeting, at which time the Commissioners will approve or deny the proposed changes.

The *Annual Report* that was previously released to participants of the *Power Source Disclosure Program* included some information that was specific to the Customer Credit Program and was optional to complete. Those parties subject to the Customer Credit Program annual reporting requirements who opted not to complete those portions of the *Annual Report* may be required to submit those data after *Guidebook* changes have been adopted by the Commission. The Renewables Committee expects that those parties who have already completed those portions of

the draft *Annual Report* dated February 2000 that are specific to the Customer Credit Program will NOT be required to re-submit their *Annual Report* to the Customer Credit Program to accommodate changes in the March 2000 draft. However, if the *Annual Report* is adopted by the Commission as proposed, Registered Renewable Providers can expect to supplement their *Annual Report* at a later date by submitting the following:

- Schedule 2D: Summary of Retail Sales by Customer Class
- Schedule 2E: Retail Sales to Customers Subject to the \$1,000 Funding Cap

Power Source Disclosure Program

The Power Source Disclosure Program is implemented through Commission adopted regulations, whereas the Renewable Energy Program is exempt from rulemaking requirements. The Renewables Committee intends to institute a rulemaking proceeding to adopt these reporting requirements as regulations that would be in effect for energy transactions in calendar year 2000. Until the regulations are final, the Energy Commission cannot mandate the use of the *Annual Report* forms or the *Protocol* for the purposes of meeting the Power Source Disclosure Program reporting requirements. However, the Renewables Committee will accept the use of the *Annual Report* forms and the *Protocol* being made available with this notice for reporting energy transactions that occurred in calendar year 1999.

The Renewables Committee realizes that most if not all parties subject to the Power Source Disclosure Program reporting requirements have already prepared their *Annual Report* and submitted it to the Energy Commission. These parties do NOT need to re-submit their *Annual Report* to accommodate changes in the March 2000 draft *Annual Report*.

Assistance

Members of the public who have technical questions regarding the subject matter of this Notice may contact either Heather Raitt, for questions regarding the Customer Credit Subaccount, or Melinda Merritt, for questions relating to the Power Source Disclosure Program, at:

Heather Raitt, Customer Credit
(916) 654-4735
e-mail: hraitt@energy.state.ca.us

Melinda Merritt, Power Source Disclosure
(916) 654-4536
e-mail: mmerritt@energy.state.ca.us

News media inquiries should be directed to Assistant Executive Director Claudia Chandler at (916) 654-4989.

Date Mailed:
Mass Mail Lists: Master63/Customer Credit